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AUTHOR Folger, John K.
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ABSTRACT

Aspects of the Southern commitment to higher education in the post-World War II period are reviewed and their implications for the future are examined. Following discussions of population growth and personal income, an assessment is made of: public attitudes toward higher education, trends in enrollment and student participation, trends in degree production, financial support for higher education in the South, and equal opportunity. Trends in graduate and professional education, in research, in desegregation and the participation of blacks in higher education, and in the relation of college graduates to jobs are also examined. (Author/SPG)

THE SOUTH'S COMMITMENT TO HIGHER EDUCATION:

PROGRESS AND PROSPECTS

John K. Folger

One of a series of papers commissioned for the 30th anniversary of the Southern Regional Education Board

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FOREWORD

Addressing an SREB audience in 1958, Dr. Harold F. Clark, professor of Educational Economics at Columbia University, expressed his conviction that "the entire South will ultimately move back into its historic place as the richest section of the country, since it has the natural and material resources, the labor supply, the management and the capital." His assertion, made at a time when per capita income in the South still averaged only 75 percent of the nation's, was coupled with the premise that "education and research determine the income of any country." Today's level of income in the South stands at 90 percent of the national level, and John Folger in this paper states with confidence that the Southern average should equal the nation's between 1990 and 1995.

The 30 years of Southern higher educational progress which Folger describes were a period of catch-up with the nation — in programs offered, in rates of participation, in level of support. He observes, "Of more significance than the numbers is the shift in Southern attitudes and life styles toward national, rather than regional norms." But the keynote of the paper is not complacency, nor does it offer speculations about a coming ascendency over other regions. The major theme is adaptation to changing needs and continued emphasis on catch-up where states or population groups still fall behind the rising educational and economic standards of region and nation. Like the other publications in this series marking the 30th anniversary of the Southern Regional Education Board, this paper addresses next steps in higher education's continuing contribution to the progress of the South.

The Board gratefully acknowledges the contribution made by the author of this report, John K. Folger, Policy Coordinator, Education Commission of the States.

Winfred L. Godwin
President

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INTRODUCTION

The main characteristic of the future is uncertainty.

— Kenneth Boulding

The South has made major economic and social advances in the period since the end of World War II. From its characterization by Franklin Roosevelt as the nation's number one economic problem, the South in recent years has emerged as the nation's number one economic success story. In this much publicized "sunbelt challenge" to the Northeast and Midwest, the South has become a leading area of economic opportunity.

The development of higher education in the region has been a major part of the South's success. Several different aspects of the Southern commitment to higher education in the post World War II period will be reviewed in this paper and their implications for the future will be examined.

Even though our vision of the future is flawed, as it surely will be, a review of the past can provide us with a sense of direction, and some useful guidelines for the future. Public attitudes about most of our institutions have become more critical in the past decade, and the pace of change in society has accelerated. This has increased our uncertainty about the future, as Mr. Boulding has observed. Peter Drucker believes that we are moving through a major discontinuity in our economy and society, and past trends may not be a useful guide to the future.

The projections presented in this paper should be considered more as speculations to stimulate your thinking, rather than as predictions that have a high probability of occurrence. Another limitation is the rather large margin of error that exists in some of the basic data that are used in this paper.*

*Acknowledgment is made to the staff of the Southern Regional Education Board (SREB) which assembled most of the trend data for me, piecing together various series on enrollments, graduations, education finance and the economy for the 30-year postwar period. Most of the education data were taken from the U.S. Office of Education and National Center for Education Statistics series, these statistics have been collected with varying definitions and classifications over the years and with unknown, but probably substantial, response errors in some of the series. The data are useful in revealing broad trends in educational development and change and, in view of all the uncertainties of the future, provide a reasonable base for trend projections.

This paper concentrates on trends for the region as a whole, and gives little attention to the very substantial differences between the states within the South. The differences among Southern states are usually two or more times as great as the differences between the South and the nation. Thus, when trends for the South are presented, they may not fit the trends of some of the states.

Support of higher education can be assessed in several ways. What the public thinks of education is one measure, and later sections of this paper review what opinion polls tell us about public attitudes. What the students do is another measure, and later sections of the report examine the trends in participation rates in higher education for Southerners as compared with national rates for similar groups. What the taxpayers do is still another, and a very crucial aspect of support, and Southern support is compared with the United States, both tax support and tuition support.

A consideration of these educational trends is preceded by an examination of the trends in population and the economy which provide both the clients of and the support for the educational system.

Finally, trends in graduate and professional education, in research, in desegregation and the participation of blacks in higher education and in the relation of college graduates to jobs will be examined.

POPULATION GROWTH

The South has had higher population growth rates than the nation in nearly all of the past 30 years. This has been the result of higher birthrates and, for certain states, high rates of in-migration. Throughout the period Florida has been the fastest growing state in the region, followed by Texas, Maryland, Virginia, Georgia and Louisiana; collectively, these states have grown faster than the nation. The other eight states of the region have grown at a slower rate than the national average until the last decade, when states such as Tennessee, Arkansas and Kentucky halted their heavy out-migration, began to attract more people than they lost, and began to grow more rapidly than the national average.

The "sunbelt" forces, that have caused Southern population growth, appear likely to continue in the next decade or two. Energy problems, which are almost certain to be a dominant influence on our economy in the next two decades, are likely to favor the South, with its mild climate. Increasing leisure and more adequate retirement incomes also are likely to continue to attract migrants to the South, and may even accelerate Southern growth in relation to the rest of the nation.

College-age population will decline in the next seven or eight years by 10 to 20 percent in most Southern states, even though those states are continuing to grow overall, simply because of the decline of the birthrates that occurred in the Sixties. Therefore, the pattern of leveling or declining enrollments will occur in the South as in the rest of the nation because of the underlying demographic forces. In Florida, there has been enough in-migration to counter this decline in college-age population, but in states such as West Virginia, Arkansas and Mississippi, the college-age population will drop more than the national average of 14 percent.

The changes that have occurred in the past 25 years have made the South more like the rest of the nation in its population composition. It has become more urban, more like the nation in its age and race characteristics, and the next two decades will probably continue those trends. Of more significance than the numbers is the shift in Southern attitudes and life styles toward national, rather than regional, norms. This is most evident in the "new" cities of the South — Dallas, Houston, Atlanta, and Charlotte — but it is occurring in smaller communities as well. This "Americanization of Dixie" will be apparent in some of the other trends discussed later.

PERSONAL INCOME

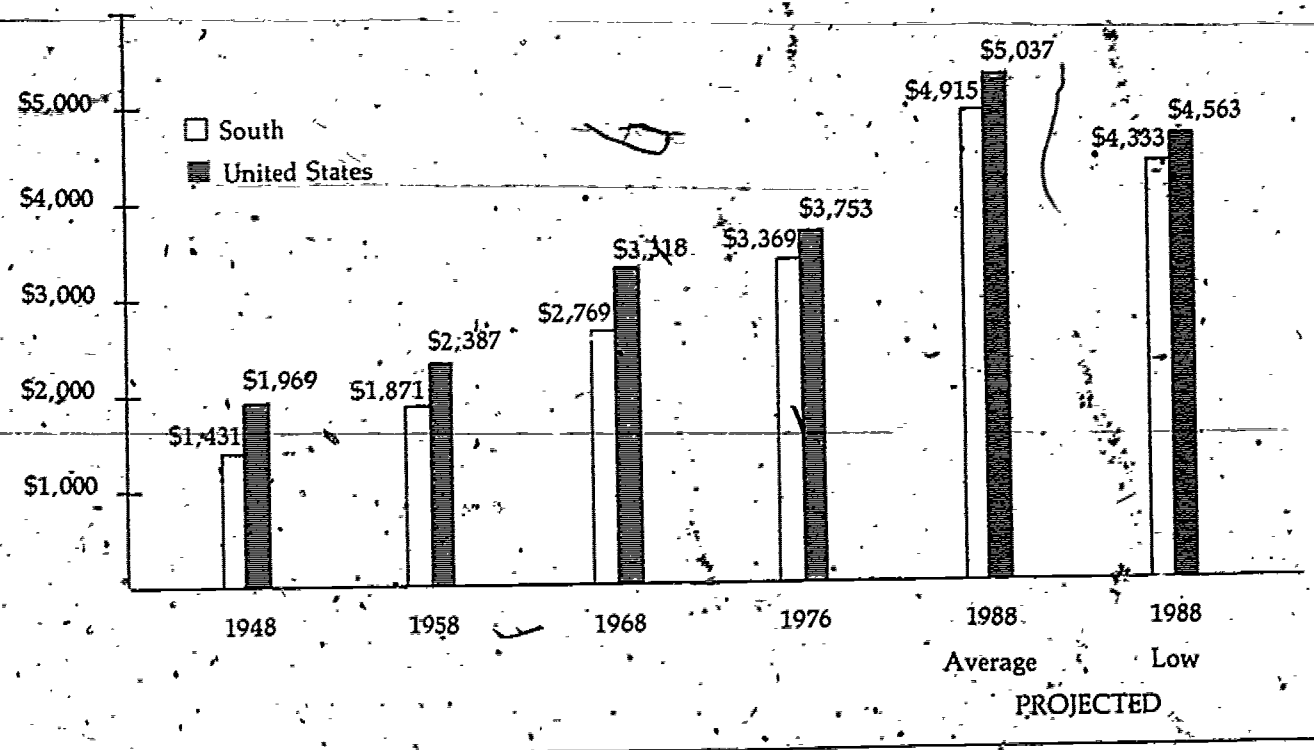
At the end of World War II the average Southern income was about three-quarters of the national average. By 1976, Southern income per capita had increased 135 percent, in constant dollars, and average income was 90 percent of national income. The gap between Southern and national incomes has decreased at a steady rate, averaging about half a percentage point each year. At the rate at which per capita income has been increasing, the Southern average should equal the national average per capita income sometime between 1990 and 1995 — which will mean that in 1990 some Southern states will be substantially above the national average, and some will still be 5 or 15 percentage points below the national average (see Figure 1).

It is much harder to estimate the future rate of increase in real income per capita in both the South and nation. Energy problems, continuing high rates of inflation, unfavorable balances of trade, and other problems make the projection of the national and Southern economy very uncertain. In the last 25 years personal income per capita, in constant dollars, has increased about 2.5 percent a year nationally, and a little more than 3 percent a year in the South. Projection of these rates of increase provides an "average trend" estimate of future economic growth. If the next fifteen years include recessions like the 1974-75 period, when there

FIGURE 1

Per Capita Personal Income South and United States, 1948-88

(In Constant 1967 Dollars)



SOURCE: SREB adaptation from *The Survey of Current Business*, Bureau of Economic Analysis, U.S. Department of Commerce.

was high inflation and less economic than population growth, there will be lower projections, for both the South and the nation (see Table 1). Southern per capita income will grow about 46 percent in the next ten years if the average trend is realized, but only 29 percent if the low trend, assuming recessions, occurs. The low projection is the one which is likely to cause problems in financing education, as will be discussed in subsequent sections.

TABLE 1

Trends and Projections in Per Capita Personal Income, South and United States, 1948 to 1988

(In Constant 1967 Dollars)

Year	United States	South	South As A Percent of U.S.
1948	$1,969	$1,431	73%
1953	2,232	1,662	74
1958	2,387	1,871	78
1963	2,692	2,132	79
1968	3,318	2,769	83
1973	3,793	3,361	89
1976	3,753	3,369	90
----- PROJECTED -----			
	United States	South	
	Average	Low	Average	Low	As a Percent of U.S.
1983[a]	$4,462	$4,247	$4,199	$3,943	94-93%
1988[a]	5,037	4,563	4,915	4,333	98-95

[a] These are projections which assume 2.5 percent annual U.S. growth rate, and 3.2 percent annual Southern growth rate.

SOURCE. SREB tabulations from the U.S. Department of Commerce.

PUBLIC CONFIDENCE IN EDUCATION

In the past decade, the confidence of the public in most of society's institutions has declined and with few exceptions continued to drop after Watergate as well as in the period leading up to the resignation of President Nixon (see Table 2). Confidence in higher education has declined too, according to the Harris Poll.

TABLE 2

Public Confidence in Selected Social Institutions, 1966-76

Institution	Percent expressing great confidence		
	1976	1974	1966
Medicine	42%	50%	73%
Higher Education	31	40	61
Television News	28	31	25
Press	20	25	29
Major Companies	16	21	55
Executive Branch	11	28	41
Organized Labor	10	18	22
Congress	9	18	42

SOURCE: Harris Poll, 1976.

Only about half as many people express great confidence in higher education as did ten years ago. Southerners have a little more confidence in education than residents in the Middle Atlantic, East Central and Pacific regions, but the differences are not large between the regions (see Table 3). Despite these lower overall evaluations, recent surveys in Tennessee and Alabama indicate that the public still expresses support for increased funding for higher education. When the Tennessee survey asked the same questions of legislators, they expressed similar, but slightly less favorable, ranking of higher education's money needs.

Overall, these opinion polls and surveys suggest that there is still a generally favorable public view of higher education, and a belief that it still justifies additional support. Especially when compared

with other institutions in our society, education ranks well and, as shown in Figure 2, educators rate well in terms of honesty and ethical standards.

However, the lessened confidence in education in the last decade suggests that there is nothing to be complacent about, and the next decade is likely to be one of increased questioning of higher education. Both legislatures and the executive branch of government are

TABLE 3

Public Confidence in Education
By Region, 1975

Region	A Great Deal	Quite a Lot	Some, Little or None	No Answer	Total
United States	29%	33%	36%	2%	100%
New England	36	30	33	1	100
SOUTHERN	35	31	31	3	100
West Central	32	43	23	2	100
Rocky Mountain	30	40	28	2	100
Middle Atlantic	25	32	40	3	100
East Central	24	37	37	2	100
Pacific	22	27	48	3	100

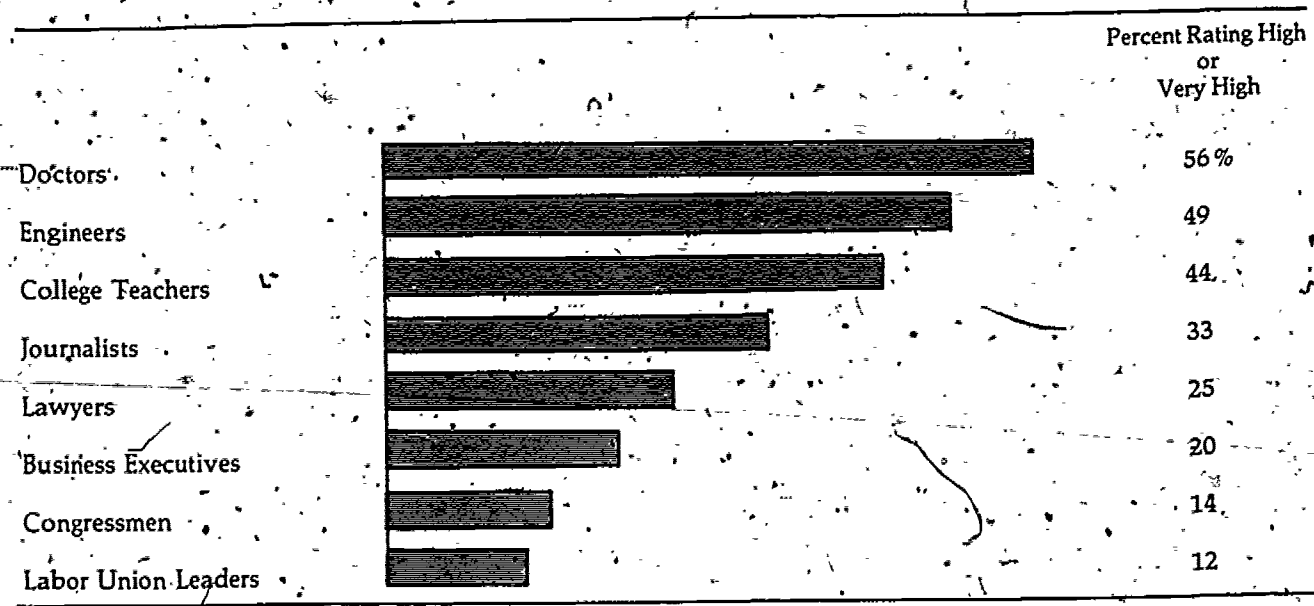
SOURCE: Gallup Poll, May 1975

going to be more open, more critical, and are going to expect more accountability from all levels of education and other state services.

Officials in both executive and legislative branches have responded to the decline in public confidence in them by increasing their oversight activities and by conducting more of public business in public. More than 40 states have open meeting or "sunshine" laws. In just two years, half the state legislatures have enacted some form of "sunset" legislation, and more than twenty states have provisions for performance audits as well as fiscal audits of public agencies.

The impact of these activities on public and legislative confidence in, and support of, education in the future remains to be seen. Educators generally believe they are doing a good job, and that if

FIGURE 2
Public Perceptions of Honesty and Ethical Standards of Selected Occupations



SOURCE: Gallup Poll, 1976

more of the public knew this, they would support higher education better and have more confidence in it. This is an overly simple formulation. The public, in the Tennessee survey, felt that the public schools had a higher priority than higher education for increased funding, but this did not reflect greater satisfaction about the job the public schools were doing.

The public satisfaction with higher education is likely to be affected negatively by the job market for college graduates in the next decade. Both students and their parents have strong expectations about college leading to a good job. The supply of college graduates in the next decade will be substantially larger than the supply of college-level jobs. As a result, more graduates will have to take jobs with less pay, prestige and career potential than expected, and public assessment of the value of college is likely to decrease. A further examination of job market factors will be made in a later section.

It is unlikely that in the future public confidence in education will rise back to the high levels that existed a decade ago. That elevated, and somewhat unrealistic, level of faith in the value of education is not necessary to obtain reasonable increases in support, however. There is still a lot of public support for education at all levels and, if higher education can meet students' needs and expectations and new public and legislative expectations for accountability, it should be able to count on continued improvement in its support.

TRENDS IN ENROLLMENT AND STUDENT PARTICIPATION

The most important measure of support for higher education is what the students do. If they enroll in increasing numbers and at increasing rates, this is the best evidence that exists about the value of college.

Between 1950 and 1970, there was a rapid increase in enrollment as a percent of college-age population. For men the enrollment/population ratio increased almost 150 percent nationally, and almost 165 percent in the South. After 1970, as the draft pressure ended, enrollment/population ratios dropped for men; they continued to rise for women, increasing over 300 percent in both the nation and in the South between 1950 and 1976 (see Table 4). This rapid increase in enrollment ratios is a result of the expansion of the community colleges, greater enrollment of part-time and older students, and the widening of educational opportunities to all segments of the population.

Enrollment/population ratios can be misleading because the enrollment figures include students who are both older and younger than the age group that serves as the base for the ratio. Actual rates of enrollment of 18 to 24 year olds in college nationally have changed very little since 1967. The rates for men declined about 20 percent between 1969 and 1976, and this was offset by a

TABLE 4

Total Enrollment as a Percent of Population 18-24, By Sex, 1951-1986

	Men			Women		
Year	U.S.	South	South as a Percent of U.S	U.S.	South	South as a Percent of U.S.
1951	18%	12%	69%	9%	7%	78%
1960	29	21	70	17	13	77
1970	44	33	74	30	23	78
1976	42	35	82	36	31	86
1986[a]	40-45	36-40	90	40-45	36-40	90

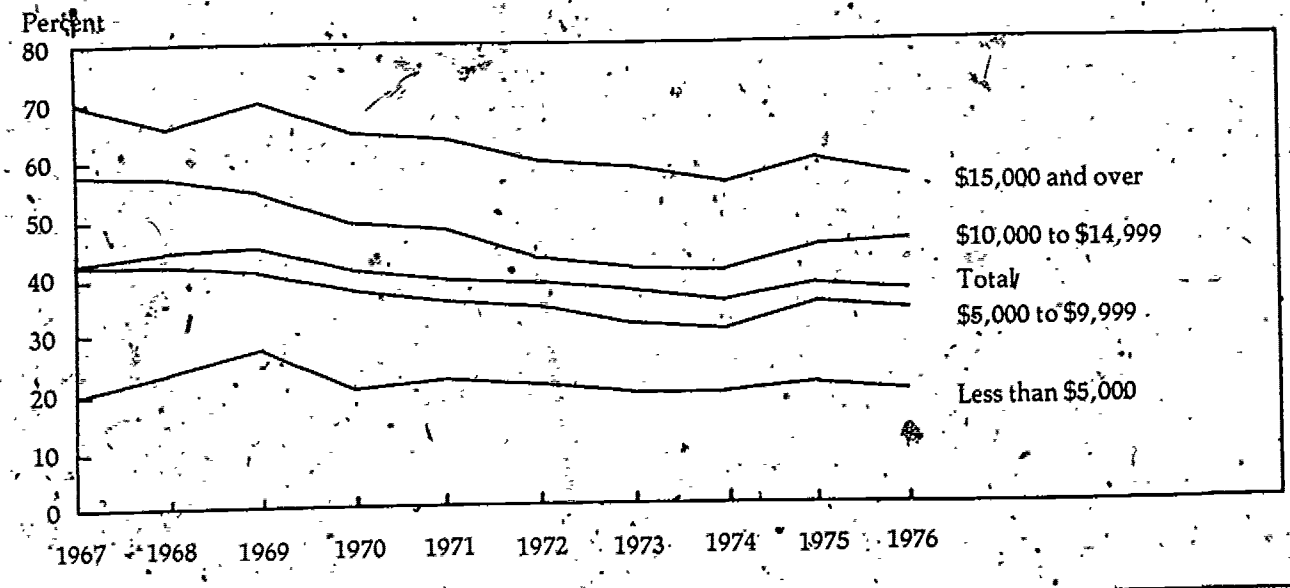
[a]These are projections which assume sex differences in college enrollment rates will disappear by 1986, and that Southern ratios of enrollment to population will be 90 percent of national figures by 1986.

SOURCE: U.S. Office of Education, *Fall Enrollment*. U.S. Bureau of the Census, 1950, 60, 70 and Current Population Report Series P-25 No. 626.

14 percent rise for women. These rates are shown in Figures 3 and 4, which also show that there has been some narrowing of the gap in attendance rates between persons in the lowest income classes and those in the highest income classes. However, despite major expansion of student aid programs in the last few years, in 1976, youth from families with annual incomes over $25,000 were still more than two and a half times as likely to be enrolled in college as youth from families with less than $8,500 income a year.

FIGURE 3

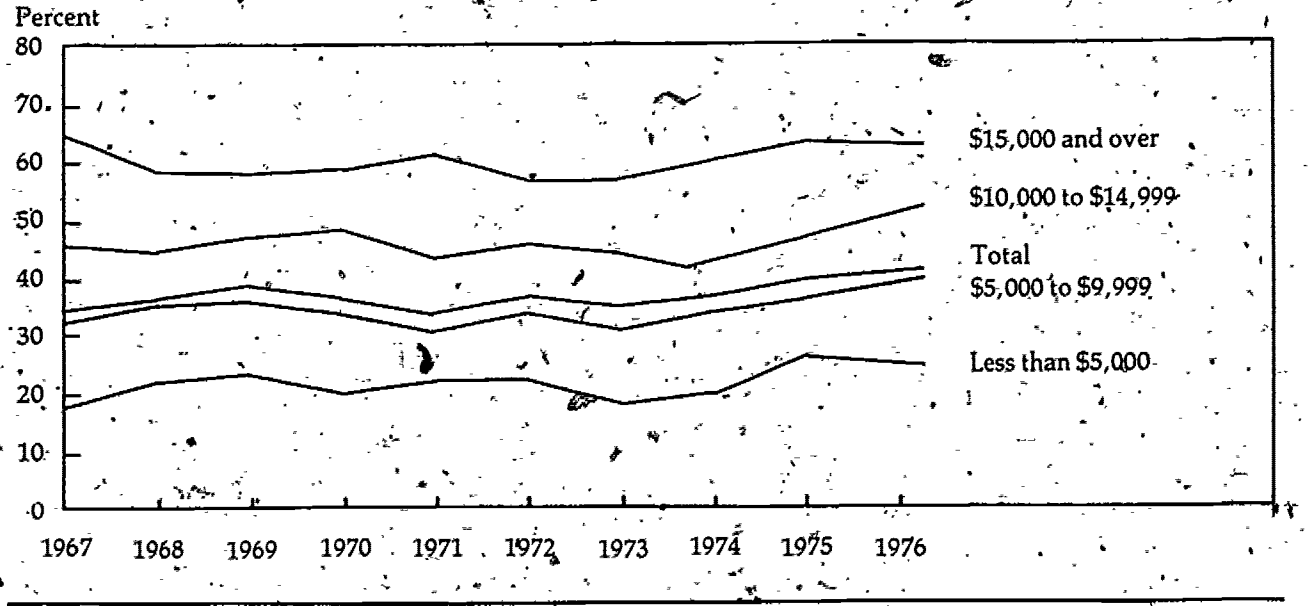
College Enrollment Rates of Male Dependent Family Members 18 to 24 Years Old, by Family Income (in 1967 Dollars): October 1967 to October 1976



SOURCE: U.S. Bureau of the Census, *Current Population Reports*, Series P-20, No. 319, February 1978, p. 7

FIGURE 4

College Enrollment Rates of Female Dependent Family Members, 18 to 24 Years Old, by Family Income (in 1967 Dollars): October 1967 to October 1976



SOURCE: U.S. Bureau of the Census, *Current Population Reports*, Series P-20, No. 319, February 1978, p. 7

While comparable figures are not available for the South, the evidence suggests that Southern enrollment rates, for comparable family income levels, would probably exhibit similar trends. Based on the trends for the last decade, enrollment rates for the conventional college ages of 18 to 24 are not likely to increase. Enrollment rates for older adults have been increasing. As this trend continues and income levels rise, Southern enrollment/population ratios can be expected to continue to move toward the national average.

The total United States enrollment, based on the trends in both population and enrollment rates, will be between 10.0 and 11.5 million in 1986, compared with 11.5 million this past fall, and Southern enrollment should be between 2.7 and 3.0 million, compared with 2.9 million in fall 1977.

The most important thing that can be said about projections of future enrollment is that they are likely to vary widely around the trends, as a result of economic fluctuation. Of the 11.5 million students enrolled this past year, only 7 million were full-time. Of this number, only about 4.5 million are full-time, undergraduate, dependent students enrolled in a degree credit program — the traditional image of a college student. Part-time and independent students are much more subject to economic conditions: if times are good, enrollment will drop as more students leave school to work full time; if times are bad, enrollment will rise as students try to improve their job credentials. In the 1974-75 recession, enrollment jumped 10 percent in 1975 and leveled off in 1976. The difference between 1977 enrollment and the low 1986 projection for the SREB states is less than 10 percent, and year-to-year changes in economic prospects could cause wider variations than that.

The message is clear, educational institutions need to be flexible and adaptable to adjust to an increasingly changeable future. The reality is the opposite — tenure, unions, and faculty participation in decision making, plus a big, expensive-to-maintain physical plant limit most institutions' ability to adjust quickly or easily to changes.

TRENDS IN DEGREE PRODUCTION

When the Southern Regional Education Board was founded in 1948, the South was deficient in graduate programs and in some professional program areas. One of the major functions of SREB has been to assist states to share scarce resources in professional fields, and to assist in identifying areas of shortage and needed expansion.

The past 30 years have seen a great expansion of graduate and professional programs in the South. and the accompanying expansion of doctoral degrees has brought the region much closer to its share of national degree output. The South's degree production has been 15 to 20 percent lower than its share of college-age population, but the region had 10 to 15 percent fewer jobs in the professional and managerial occupations than the national average. Economic growth has brought the South much closer to the nation in the composition of its labor force and has provided many more jobs in the professional and managerial occupations. In 1950. 7 percent of the Southern labor force was professional; by 1970, that had almost doubled to 13.5 percent. When growth in the labor force is considered, there are more than three times as many professional workers in today's Southern economy than there were in 1950.

The most dramatic increases in Southern degree output during the last 30 years occurred at the doctorate and advanced professional level. There has been more than a tenfold increase in Ph.D. production in the South, more than a 150 percent increase in the output of physicians, and the number of lawyers graduating has almost doubled. Business graduates have tripled and there has been more than a five-fold expansion of advanced degrees awarded in education. Among the major professions, only engineering has not expanded much, although there has been a big expansion of engineers with graduate degrees. The expansion of degree output in the Fifties and Sixties was needed for Southern economic growth, but some of the growth in degree production since 1970 has been out of step with job opportunities in the South and in the nation. The South continues to graduate far more persons with teaching credentials than can be employed. and both the region and the nation will over-produce Ph.D.'s in most fields during the next decade. The annual output of veterinarians in the South is projected to double in the next 10 years, which will probably lead to an oversupply of veterinarians by the end of the 1980s. A 25 percent increase in law graduates is also projected in the next ten years, which may be more than our increasingly litigious society needs (see Table 5).

These trends are examined in more detail in other papers being developed for this series. The broad context is one of major expansion of graduate and professional education to serve the increasingly sophisticated economy and society of the South. There are more than three times as many Southern universities with a major commitment to research and graduate education today than there were when the SREB was founded. The task of the next decade is to direct the greatly increased capability of Southern universities toward critical problems and toward opportunities for regional development.

TABLE 5

College Age Population, Enrollment, and Degrees In SREB States, as a Percent of the United States, 1950 to 1985

Year	College Age Population	Total Enrollment	Bachelor's Degrees	Master's Degrees	Doctoral Degrees	Advanced Professional Law	Advanced Professional Medicine
1950	32%	23%	25%	21%	9%	30%	26%
1960	31	23	25	19	13	26	27
1970	30	23	26	20	19	24	27
1977	31	25	27	25	22	24	28
1985[a]	32	26	28	24	24	29	25

[a]Projections are from National Center for Education Statistics, *Projections of Educational Statistics to 1985-86*, and SREB projections.

SOURCE: U.S. Office of Education, *Earned Degrees Conferred*. In some cases figures are for either the year before or the year after.

FINANCIAL SUPPORT FOR HIGHER EDUCATION IN THE SOUTH

Public attitudes toward higher education and student participation must be translated into financial support to produce a viable higher education system. College administrators see financial support as the bottom line of public support and commitment to education.

The bottom line has expanded enormously in the past 30 years. Public higher education institutions in the South received less than $100 million from state appropriations in 1947-48, at the time when SREB was founded. In 1977-78, state appropriations for current operations will be approximately $4.4 billion in the SREB states. Other sources of educational and general income — student tuition and fees, federal support, and private gifts and grants — have also expanded, but not as much as state support.

Increases in state funding for higher education have been made possible by increases in state and local taxes, every state in the nation has increased the percent of personal income that is allocated to taxes. Many states in the South, because they had relatively low income, had to make an above average tax effort, for example, in 1953 half of the SREB states made above average state and local tax efforts. By 1975, other states in the nation had had to increase their tax effort to support public services, and all but two of the SREB states — Louisiana and Maryland — were allocating less than average percentages of their income for state and local taxes (see Table 6).

Although the South increased the share of income going to taxes less than the nation did, it devoted an increasing percent of those tax revenues to support the expansion of higher education that occurred. Higher education has more than doubled its share of tax revenues, and has approximately tripled the percent of personal income devoted to state support of higher education (see Table 7). On the measure of percent of personal income allocated for higher education appropriations, the South has made a bigger effort than the nation.

The tuition and fees paid in both public and private institutions in the South are lower than the national average. The percent of educational income from tuition and fees is the same for Southern public institutions as public institutions nationally (about 15 percent) and tuition in public institutions is about the same percent of per capita income (10 percent) in the South as nationally.

Tuition as a share of per capita personal income has remained at about the same level in public institutions (10 to 12 percent) in the

last quarter century, but has risen substantially in the private institutions (from about 25 to 30 percent at the end of World War II to 45 to 55 percent currently). The greater dependence of the private institutions on tuition has widened the tuition gap between the public and private institutions in the last 20 years.

TABLE 6

State and Local Tax Revenue as a Percent of Personal Income, United States and SREB States, 1953, 1975

	1953	1975	Percent Increase	State as a Percent of U.S. Average 1953	1975	1953-75 Change
United States	7.58%	11.89%	57%	100%	100%	—
Southeast[a]	7.86	10.22	30	104	86	-17%
Alabama	7.00	9.59	37	92	81	-13
Arkansas	7.92	9.87	25	104	83	-21
Florida	9.20	9.52	4	121	80	-34
Georgia	7.67	10.02	31	101	84	-17
Kentucky	6.47	10.95	69	85	92	8
Louisiana	10.43	12.19	17	138	102	-26
Maryland	6.33	11.95	89	84	100	20
Mississippi	9.37	11.59	24	124	97	-21
North Carolina	8.25	9.98	21	109	84	-23
South Carolina	8.61	10.10	17	114	85	-25
Tennessee	7.32	9.51	30	97	80	-17
Texas	6.68	9.96	49	88	84	-5
Virginia	6.09	10.81	67	80	86	7
West Virginia	6.81	11.81	73	90	99	10

[a] Southeast excludes Maryland and Texas.

SOURCE. National Center for Education Statistics. *The Condition of Education, 1977.* Table 6.11.

TABLE 7

Higher Education Appropriations as a Percent of State Taxes, and as a Percent of Personal Income, South and United States, 1954-76

	As a Percent of State Tax Revenues			As a Percent of Personal Income		
	South	United States	South as a Percent of U.S.	South	United States	South as a Percent of U.S.
1953-54	6.8%	6.6%	103%	0.32%	0.26%	123%
1959-60	7.3	7.5	97	.39	.34	115
1963-64	8.4	8.6	98	.47	.42	112
1968-69	11.7	11.4	103	.69	.64	108
1972-73	12.3	11.5	107	.79	.74	107
1975-76	15.0	13.5	111	.96	.88	109

SOURCE: Special SREB tabulations. Appropriations exclude capital outlay and non-institutional appropriations. Tax revenues exclude local taxes.

The willingness of more and more students to pay the tuition and fees is one important measure of public support for education. The actual cost of attendance has not gone up as fast as per capita income has in the last ten years, and for the low and middle income students the costs have been offset by increasing amounts of government-subsidized grants, loans, and work opportunities.

There has been a great deal of stability in the share of revenue coming from different sources, except for the increased reliance of private institutions on fee income noted above, and the Southern patterns of revenue for institutions are very similar to the national pattern. Public institutions in the South have received between 55 and 60 percent of their revenue from state government, between 14 and 16 percent from fees, about 3 percent from gifts, and between 20 and 30 percent of their revenue from other sources, primarily the federal government. Private institutions get practically nothing directly from state appropriations, receive half their revenue from fees and tuition, 37 to 45 percent from the federal government and other sources, and the rest from gifts. The federal share has declined in the last decade in both public and private institutions, as federal research funds have leveled off. Public institutions have had an increase in the state appropriations share, while the private institutions have had to get a larger share from tuition.

The tremendous increase in dollar support for higher education has been required to keep up with enrollment increases and inflation. Expenditures per full-time-equivalent student, in constant dollars, went up 25 percent between 1954 and 1965, but only increased four percent more in the next 12 years (see Table 8). Nationally, per student expenditures actually declined two percent between 1964 and 1976. Per student expenditures in the South have almost reached the national average, in a number of Southern states, per student expenditures are substantially above the national average.

Real expenditures per student leveled off in the South between 1964 and 1976, when expensive graduate and professional programs were still expanding rapidly. The number of M.D.'s graduating increased 80-percent, the number of Ph.D.'s almost quadrupled, and the number of lawyers graduating doubled during this period. When the additional resources required for this expansion of graduate and professional education are taken into consideration, expenditures for undergraduates in real dollar terms declined between 1964 and 1976. The major universities, where the expansion of graduate education has occurred, have had to develop less costly undergraduate programs, through use of large classes and lower paid graduate teaching assistants.

TABLE 8

Per FTE Student Expenditures for Educational and General Purposes in Public Institutions, South and United States 1953 - 1975

(In Constant 1967 Dollars)

	Higher Education			Elementary and Secondary, U.S.	
	South	United States	South as a Percent of U.S.	Per Pupil	As a Percent of Higher Education per Student
1953-54	$1,385	$1,565	88%	—	—
1963-64	1,736	1,887	92	$ 491	26%
1968-69	1,747	1,915	91	632	33
1972-73	1,931	2,032	95	813	40
1975-76	1,805	1,847	98	813	44

SOURCE: Special SREB tabulations. Elementary and secondary per pupil expenditures from National Center for Education Statistics, *The Condition of Education, 1977.*

Expenditures per student actually declined in almost all states and all types of institutions from 1974 to 1976 as a result of the recession and continued high inflation. Since 1976, they have turned back upward and, as enrollments level off, there may be enough revenue to increase the real dollar expenditures per student in the next decade.

Public elementary and secondary constant dollar expenditures per pupil increased 66 percent between 1964 and 1976, while student expenditures in public higher education were decreasing by two percent. During that same 12-year period, elementary and secondary enrollment increased by about five percent, while college enrollment increased over 100 percent. All levels of education got more money during the last twelve years. Colleges had to use this increase to serve additional students, while elementary and secondary schools were able to provide substantially more resources per pupil.

In the next decade college enrollments won't grow much overall (although some institutions will grow while others will lose students), and there will be an opportunity to provide more resources per student while at the same time reducing the share of tax revenues required for higher education.

A lot has been said and written about the coming period of austerity in higher education and about the necessity for fiscal retrenchment. The actual prospects for support of higher education during the next decade are considerably more favorable than they have been at any time since the early 1960s. If the nation and the South can maintain a modest level of real growth in the economy (the 2.5 to 3.0 percent annual increase projected), if state taxes are maintained at their current level, and if higher education can make as good a case for funding as elementary and secondary schools did during the last decade of limited growth and some decline in enrollment, then the prospects in the next ten years are for the largest real dollar increase per student in higher education since the end of World War II.

The financial resources will be available to the states unless the next ten years bring us more recessions like the one in 1974-75. State government costs for welfare, unemployment payments and a number of other social services actually accelerate in an economic slump, and discretionary expenditures for higher education are cut back. In the 1974-75 period, per student appropriations in constant dollars went down in a majority of states, per student expenditures of public schools leveled off too. The prediction of a brighter economic picture for higher education is based on one important assumption — no serious economic recessions during the next decade.

Legislatures have more opportunity to exercise discretion about the level of appropriations for higher education than in most other areas of state expenditures. In most states, they exercise less control over higher education budgets, both by tradition and because the state supplies less than half the total revenues for higher education, and only a little more than half the revenues for education and general purposes. If state revenues are good, higher education is likely to fare better than average among state services. If funds are tight, higher education is likely to have to absorb a larger than average share of the cuts. Since the prospects for economic fluctuations and a high level of economic uncertainty are high, this tempers the generally favorable economic prospects for the next decade.

Student fees are another possibility for increased revenue in the coming decade. In the last five years, the federal government has made a big buildup in student aid, and federal and state grants now offset much of the cost of education for lower income students. In 1976-77, the federal and state governments and institutions provided about $8 billion in student grants, G.I. Bill and social security payments — an amount that approximately equals the total tuition and fee revenues in higher education. The economic barriers to college attendance have been lowered by 25 percent or more in the past decade by the combination of increased aid and college costs that rose more slowly than family income. Congress is currently considering additional steps, either increased student aid for the middle income student, a tuition tax credit for all students, or possibly both. Increased tuition costs would be partly covered by increased student aid allocations for lower income students. It would be possible to increase tuition income from the present 15 to 16 percent of educational and general revenues to 20 to 25 percent in five years without any measurable decrease in participation rates if student aid and loans are increased proportionately.

In summary, the support of higher education in the South has been greater than in the United States, in terms of the share of state tax revenues allocated to it, and in the percent of personal income that is provided to higher education through state appropriations. In constant dollar terms, Southern expenditures per student have increased from 88 percent of the national average in 1954 to 98 percent in 1976, so the South has about achieved equality with the nation on a per student basis.

There has been no real increase in expenditures per student in the last twelve years in the South or nation. When the increased share of enrollment in expensive graduate and professional programs is considered, the expenditures — in real dollar terms — for undergraduates have declined.

The doubling of the number of students plus the effects of inflation have meant that big dollar increases were necessary just to stay even. Enrollments will increase very little in the next ten years, and may actually decline a little, which provides an opportunity to increase real expenditures per student without the necessity for new taxes or an increase in the share of tax revenues going to education, assuming there will be continued real growth in the Southern economy at the rates that occurred in the past decade.

Wide economic fluctuations with continued inflation would have a negative effect on the prospects for support of higher education, because there is more room for discretion here than in some other state services. If recessions can be avoided, the prospects for support of higher education are good. That's a big "if," because we have seldom faced more uncertain economic prospects.

TOWARD EQUAL OPPORTUNITY

No issue in education has occupied more of the time and attention of Southern educational and political leaders in the past quarter century than have the problems in ending segregation and developing an educational system that does not discriminate on the basis of race.

One impetus for the establishment of SREB sprang from interstate efforts to support Meharry Medical College, and the Board, prior to the 1954 Supreme Court decision, adopted the position that its programs were not to be used as a defense by states seeking to avoid desegregating their professional schools. Later, as states moved to desegrate higher education, SREB took a leadership role in assisting the states to deal with the complex problems of desegregation and the expansion of opportunity for blacks.

While the agenda for achieving equal opportunity is still unfinished, the South has made notable progress, and equality of participation may be achieved within the near future.

Historically, college opportunities for blacks were concentrated in the black colleges, most of which were located in the SREB region. In 1953, two-thirds of all black students attended black colleges, and there was a heavy in-migration of blacks from other regions to attend Southern black colleges. In the next two decades there was a rapid shift of enrollment patterns. More blacks attended college in predominantly white institutions including community colleges, and the percent of blacks attending predominantly black schools has dropped to about 20 to 22 percent. Less than half the blacks in the South are now attending predominantly black colleges. By 1985, the national percent of blacks attending black colleges will be down to 15 to 17 percent, and less

than a third of Southern blacks will be attending historically black colleges.

The success of most black colleges will depend on their development of new roles, and on their ability to attract more white students, as a few of them have been able to do.

Blacks have increased their participation in higher education substantially in the last two decades, although they still lag behind overall participation rates for whites. In 1951, the participation rate for higher education of blacks nationally was one-third of the rate for whites; by 1970, it had risen to half the white rate; and by 1976, it stood at 80 percent of the rate of whites. In the South, the black rate is 75 percent of the white, but the black rate is inflated by the in-migration of non-Southern blacks attending predominantly black colleges.

A somewhat different picture of regional differences in participation rates for blacks is shown in Table 9, which gives the ratio of black participation rates to white participation rates, based on Census data. There has been a dramatic increase in black participation

TABLE 9

Ratio of Black to White College Participation Rates, By Region, 1970 and 1975

	1970	1975
Northeast	53%	98%
Southeast	71	86
Central	59	101
West	67	94

SOURCE: National Center for Education Statistics, *The Condition of Education, 1977*, Table 4.19.

rates in the 1970-75 period and the South's participation rate, which was higher in 1970 because of black college enrollments, is now lowest among the regions. Black participation rates are estimated to be at or above parity with white rates by now in all regions but the South. Affirmative action recruiting seems to be having an impact in the nation as a whole but, obviously, with wide institutional variations.

Still another kind of evidence about black participation is provided by the college attendance of 1972 high school graduates, shown in Table 10. Blacks were entering postsecondary education (including vocational schools as well as colleges) at higher rates than whites in all the low and middle ability groups. Only in the high ability groups are the participation rates of whites and blacks similar. If this sample data is representative of subsequent graduating classes, it is easy to see that black participation rates may be substantially above those for whites in just a few years.

The same longitudinal survey followed up these graduates in 1973 and 1974, and found that the persistence of blacks has exceeded that of whites. Thus, the differences in participation rates were larger in favor of the blacks in 1974 than they were in 1972. This should not obscure the fact that in many predominantly white institutions there is need to increase retention rates of black students.

TABLE 10

Participation Rates in Postsecondary Education for the High School Class of 1972, By Race, Ability Level and Socioeconomic Status (SES), Fall 1972

	White	Black
Low Ability Level		
Low SES	20%	34%
Middle SES	29	43
High SES	47	61
Medium Ability Level		
Low SES	33	56
Middle SES	53	61
High SES	76	86
High Ability Level		
Low SES	66	69
Middle SES	77	74
High SES	93	91

SOURCE. National Center for Education Statistics, *The Condition of Education, 1977*, Table 4.15

Even if these rather dramatic statistical trends are discounted for possible sampling errors, response errors and other problems, the indications are that affirmative action is working, and that parity will be attained between blacks and whites in participation at the undergraduate level in higher education within the next decade, both in the nation as a whole and in the South. Problems will persist longer in some professional and graduate fields; blacks are still substantially under-represented in admissions to medical and law schools, and to engineering and scientific fields at both the graduate and undergraduate levels.

This brings into sharp focus the future of the predominantly black college. Federal objectives seem to be to preserve and enhance the black colleges, while at the same time requiring all other institutions to expand their services to blacks. Already, some states are enrolling a higher percent of blacks than of whites in the combination of enhanced black colleges (which still have only small non-black enrollments in most parts of the South) and increasingly integrated other colleges.

Should the "enhancement" be directed specifically at increasing the non-black enrollment in these institutions? How can this be accomplished in the majority of situations when there is both a black and a non-black institution in the same community, or when the black institution is located in an isolated rural area? These are some of the questions that have to be resolved, but the important thing to recognize is that the nation has made enormous progress in the past decade in equalizing opportunity in fact, as well as in law, for black citizens.

SUMMARY

The record of higher education accomplishment in the South in the past 30 years has much in it of which to be proud. Opportunities for all citizens, black and white, have expanded greatly, and more young people and adults too are taking advantage of those opportunities. The South has developed graduate programs and research in its universities to a point which is much closer to national levels. The university research and advanced professional programs have played an important part in the economic and social development of the South over the last thirty years, as have the expanded undergraduate and adult education programs. The South is entering the last quarter of the 20th century much better equipped with educational institutions and programs than on entering the second half of the century.

While postsecondary education has contributed to the economic development of the region, the South's economic development has provided the resources necessary to support the expansion period of the past 20 years — when enrollments were doubling, graduate enrollments were tripling, new clienteles were being served, and desegregation was being accomplished.

There have been problems in the past, resources were barely able to keep up with enrollment growth and the effects of inflation. Funds for improvement had to come from better use of the available dollars. Despite these economic problems, the South expanded its support of higher education enough to enable the region to achieve about the same level of support per student as the national average.

Public opinion about higher education has declined, but largely as a part of a general decline in attitudes toward social institutions, and the amount of positive feeling about higher education still is substantial. The prospects for better funding in the future are good, if the economy can avoid major fluctuations and maintain a reasonable real growth rate.

There will be very real problems in maintaining sufficient flexibility of institutions and in our maturing faculties to deal with the increasing pace of change of society and the prospects for greater enrollment fluctuations in the future.

SREB has performed an important service for the South in the past in studying the issues and trends, and providing educational and political leaders objective analysis, and the opportunity to discuss the issues and to become informed about them. The need for that kind of service will be even greater in the uncertain future. There are more reasons for optimism than despair for the future and, with the accomplishments of the past thirty years, higher education in the region is in a good position to move ahead.